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SENATE BILL 1441
By Jackson

AN ACT to amend Tennessee Code Annotated, Title 4; Title 47; Title 53; Title 56; Title 63; Title 68 and Title 71, relative to prescription drugs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, is amended by adding the following as a new chapter 55:

56-55-101. The provisions of this chapter shall be known as and referred to as the "Tennessee Pharmaceutical Availability and Affordability Act".

56-55-102.

(a) The general assembly finds:

(1) That the rising cost of prescription drugs has imposed a significant hardship on individuals who have limited budgets, are uninsured or who have prescription coverage that is unable to control costs successfully due to cost shifting and disparate pricing policies;

(2) That the average cost per prescription for seniors rose significantly between 1992 and 2000, and is expected to continue increasing significantly through 2010;

(3) That there is an increasing need for citizens of Tennessee to have affordable access to prescription drugs; and

(4) That the general assembly does not intend the imposition of the programs under this chapter to penalize or otherwise jeopardize the benefits of veterans and other recipients of federal supply schedule drug prices.

(b) In an effort to promote healthy communities and to protect the public health and welfare of Tennessee residents, the general assembly finds that it is its responsibility to make every effort to provide affordable prescription drugs for all residents of Tennessee.

56-55-103. In this chapter:

(1) "Advertising or marketing" means any manner of communication of information, either directly or indirectly, that is paid for and usually persuasive in nature about products, services or ideas related to pharmaceuticals by identified sponsors through various media, persons or other forms as further defined by administrative rule.

(2) "AWP" or "average wholesale price" means the amount determined from the latest publication of the blue book, a universally subscribed pharmacist reference guide annually published by the Hearst corporation. "AWP" or "average wholesale price" may also be derived electronically from the drug pricing database synonymous with the latest publication of the blue book and furnished in the national drug data file (NDDF) by first data bank (FDB), a service of the Hearst corporation.

(3) "Dispensing fee" means the fee charged by a pharmacy to dispense pharmaceuticals.

(4) "Drug manufacturer" or "pharmaceutical manufacturer" means any entity that is engaged in:

(A) The production, preparation, propagation, compounding, conversion or processing of prescription drug products, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis; or

(B) in the packaging, repackaging, labeling, relabeling or distribution of prescription drug products. "Drug manufacturer" or "pharmaceutical

manufacturer" does not include a wholesale distributor of drugs or a retail pharmacy licensed under state law.

(5) "Federal supply schedule" or "FSS" means the price available to all federal agencies for the purchase of pharmaceuticals authorized in the Veterans Health Care Act of 1992, PL 102-585. FSS prices are intended to equal or better the prices manufacturers charge their "most-favored" non-federal customers under comparable terms and conditions.

(6) "Multiple-source drug", "innovator drug" and "noninnovator drug" mean the following:

(A) "Multiple-source drug" means two or more drug products that are rated as therapeutically equivalent under the food and drug administration's most recent publication of "Approved Drug Products with Therapeutic Equivalence Evaluations," and except as provided in paragraph (B) of this subdivision, are pharmaceutically equivalent and bioequivalent, as determined by the food and drug administration. "Innovator drug" means a drug that is produced or distributed under an original new drug application approved by the food and drug administration, including a drug product marketed by any cross-licensed producers or distributors operating under the new drug application and any multiple-source drug that was originally marketed under an original new drug application approved by the food and drug administration. An "innovator drug" shall also be referred to herein as “brand” or a “brand drug.” "Noninnovator drug" means a multiple-source drug that is not an "innovator drug." A "noninnovator drug" shall also be referred to herein as “generic” or a "generic drug."

(B) Paragraph (A) of this subdivision shall not apply if the food and drug administration changes by regulation the requirement that, for purposes of the

publication described in paragraph (A) of this subdivision, in order for drug products to be rated as therapeutically equivalent, they must be pharmaceutically equivalent and bioequivalent.

(7) "Labeler" means an entity or person that receives prescription drugs from a manufacturer or wholesaler and repackages those drugs for later retail sale and that has a labeler code from the federal food and drug administration pursuant to 21 C. F. R. § 207.20 (1999).

(8) "Person" means any natural person or persons or any corporation, partnership, company, trust or association of persons.

(9) "Pharmaceutical drug detailing" or "detailing" means the function performed by a sales representative who is employed by a pharmaceutical manufacturer for the purposes of promoting pharmaceutical drugs or related products, educating persons about pharmaceutical drugs or related products, or providing samples of pharmaceutical drugs, related products or materials, gifts, food or meals.

(10) "Savings" means the difference between the previous price of a prescription drug including any discounts, rebates or price containments and the current price after the effective date of this chapter for the public employees insurance agency, children's health insurance program, medicaid and workers' compensation programs or other public programs that pay for prescription drugs.

(11) "Sole source" means a pharmaceutical that provides a unique and powerful advantage available in the market to a broad group of patients established under federal law.

(12) "Tennessee Pharmaceutical Cost Management Council" or "council" means the council created pursuant to section 56-55-108 of this chapter.

56-55-104.

(a) There is hereby created the state prescription drug assistance clearinghouse program. The brand pharmaceutical manufacturers shall create and implement a program to assist state residents who are low income or uninsured to gain access to prescription medications through existing private and public sector programs and prescription drug assistance programs offered by manufacturers, including discount and coverage programs. The brand pharmaceutical manufacturers shall use available computer software programs that access an eligible individual with the appropriate private or public programs relating to the individual's medically necessary drugs. The brand pharmaceutical manufacturers shall provide education to individuals and providers to promote the program and to expand enrollment and access to necessary medications for low-income or uninsured individuals qualifying for the programs. The participating brand pharmaceutical manufacturers shall be responsible for the cost of the establishment of the program, and be responsible for running the program, regardless of the date of transfer of the program to the state, for the period of time until a date no earlier than June 30, 2006, and ownership of the technology, website and other program features shall be transferred to the state on the same date. The commissioner of human services and the director of the insurance committee shall provide joint oversight over the establishment and construction of the program and program features for the period of time prior to the transfer of ownership to the state. The pharmaceutical council shall recommend the state agency to own, control and operate the program, technology and program features, and shall include such recommendation in its report on or before September 1, 2005, to the house and senate standing committees on finance, ways and means, as provided for in section 56-55-108 of this chapter. In addition, the pharmaceutical manufacturers shall report to the house and senate standing committees on finance ways and means on a monthly basis all activities related to the

implementation of this program including the number of citizens serviced and the services provided.

(b) The participating brand pharmaceutical manufacturers shall contribute the funding for the promotion of the public relations program attendant to the establishment of the program. The participating brand pharmaceutical manufacturers shall be responsible for the cost of the establishment of the program and the cost of the ongoing program, regardless of the date of transfer of ownership of the program to the state, for the period of time until December 31, 2005.

56-55-105. There is hereby established a discount drug program to provide low-income, uninsured individuals with access to prescription drugs from participating brand pharmaceutical companies and pharmacists through either a state-sponsored discount card program or a program that extends current brand pharmaceutical manufacturer prescription drug assistance programs:

(a) The state hereby establishes a state-sponsored prescription drug discount card program for certain eligible residents of Tennessee:

(1) Eligible individuals include uninsured residents of Tennessee up to two hundred percent (200%) of the federal poverty guideline who have not been covered by a prescription drug program, whether public or private, at least six (6) months prior to applying to the discount card program;

(2) The state may negotiate voluntary discounts with brand pharmaceutical manufacturers and pharmacists; provided, that the total discount received from the manufacturer shall pass through to the eligible resident;

(3) Failure of a brand pharmaceutical manufacturer to participate in the voluntary discount card program will not result in prior authorization on drugs in the medical assistance program which would not otherwise be subject to prior authorization but for the failure of the manufacturer to participate in this program; and

(4) The state shall not establish a formulary or preferred drug list as part of the discount card program.

(b) The brand pharmaceutical manufacturers may extend existing prescription drug assistance programs to eligible residents of Tennessee. Eligible individuals include uninsured residents of Tennessee up to two hundred percent (200%) of the federal poverty level who have not been covered by a prescription drug program, whether public or private, at least six (6) months prior to applying to the program.

(c) The program established under this section shall be structured so that a member presenting a discount card at a participating pharmacy will receive the full benefit of the pharmacy discount, as well as the manufacturer's discount, at a point of sale transaction. The program, or the pharmacy benefit manager contracted by the program, shall coordinate the drug discount information provided by participating pharmacies and manufacturers so that the available drug discounts are provided to the member at the point of sale.

(d) Manufacturers participating in the voluntary program established under this section shall cooperate with the program, or the pharmacy benefit manager contracted by the program, to provide the current list of drugs and the percentage of discount from the AWP for such drugs, or the rebates that the manufacturer will provide under the program. It is the intent of this program that adequate drug price and discount or rebate information be provided by the manufacturer, such that the program and participating

pharmacies will have available such drug prices and discounts or rebates at a point of sale pharmaceutical drug transaction. Retail pharmacies will be responsible for no more than fifty percent (50%) of the discount offered by the manufacturer to the participant.

(1) Pharmacies participating in the voluntary program(s) established under this section will be responsible for no more than fifty percent (50%) of the discount offered by the manufacturer to the participant, and be paid a dispensing fee of no more than three dollars and fifty cents ($3.50) per prescription with regard to prescriptions filled under the program(s).

(2) Upon the presentation of a valid discount card, payment for the prescription and otherwise meeting appropriate criteria to have their prescription filled, the cardholder will have their prescription filled by a participating pharmacy. To accomplish the transaction, the participating pharmacy shall electronically transmit the transaction to the program or pharmacy benefit manager contracted by the program for processing. The program, or the program's pharmacy benefit manager, shall determine the discounted cost of the drug, including the discount provided, the discount provided by the pharmacy, the discount or rebate provided by the manufacturer, the pharmacy dispensing fee, and any pharmacy benefit manager transaction fee. The program, or the program's pharmacy benefit manager, shall then transmit to the manufacturer an electronic statement of the amount the manufacturer owes on the transaction to cover the manufacturer's discount or rebate and the program's or the pharmacy benefit manager's processing fee. The manufacturer shall, in turn, at least every fourteen (14) days, transmit such monetary amounts for the transaction to the program, or the program's pharmacy benefit manager, and the program, or the program's

pharmacy benefit manager, shall pass such discount or rebate amounts back to the participating pharmacy which originated the transaction immediately.

(e) The pharmaceutical manufacturers shall report to the house and senate finance, ways and means committees on a monthly basis all activities related to the implementation of this program including the number of citizens serviced and the services provided, as well as the benefits, the costs and the discounts obtained.

56-55-106.

(a) There is hereby created in the state a program to obtain favorable pharmaceutical prices for state agencies and other qualified entities pursuant to this article.

(b) The medical assistance program operated pursuant to title 71, chapter 5, part 1, may be exempted from participation in this program until approval by the center for medicare and medicaid services has been granted if it is determined to be required by the council.

(c) Administrative staff support for the council created by this chapter shall be provided by the departments represented on the council.

(d) The council shall establish a pricing schedule using or referencing the FSS prices, or using or referencing to the price, as adjusted for currency valuations, set by the Canada patented medicine prices review board (PMPRB) or any other appropriate referenced price that will maximize savings to the broadest percentage of the population of this state.

(e) By September 15, 2005, the council shall report back to the general assembly the pricing schedule developed and a strategic plan for implementation. The council shall implement the proposed pricing schedule and strategic plan upon joint resolution of the general assembly. If, at the time of the acceptance or rejection of the joint resolution

to implement the proposed pricing schedule and strategy, the joint resolution is not passed due to the general assembly's lack of acceptance of the same, the general assembly shall accept or reject a joint resolution to implement the pricing schedule and strategy using or referencing the FSS; provided, that acceptance or rejection of the above referenced resolutions shall occur prior to the end of the regular session of the general assembly in 2006.

(f) If neither of the above referenced resolutions pass during the regular session of the general assembly in 2006, the general assembly may, at any time in the future, pass a joint resolution to implement the above referenced pricing schedule and strategy or any subsequent recommendation of the council to the general assembly and the general assembly determines that the proposed pricing schedule and strategy are the most effective method of reducing pharmaceutical prices for the citizens of the state.

(g) Qualified entities including, but not limited to, licensed private insurers, self insured employers, free clinics and other entities who provide pharmaceuticals either directly or through some form of coverage to the citizens of Tennessee shall have an option to apply for participation in the program established by this article in the form and manner established by the council. The council, in its sole discretion, shall approve or deny participation through review of documentation determined to be necessary for full consideration and as established by rule. The council shall consider, but not be limited to, the fiscal stability and the size of each applicant.

(h) Pharmaceutical manufacturers may request a waiver from the pricing schedule to be granted by the council for a particular drug in which the development, production, distribution costs, other reasonable costs and reasonable profits, but exclusive of all marketing and advertising costs as determined by the council, is more than the pricing schedule rate of the pharmaceutical or in those cases in which the

pharmaceutical in question has a sole source. The determination of reasonable costs and reasonable profits may fluctuate between different pharmaceuticals under consideration by the council. The council shall determine by administrative rule fees to be paid by the applicant at the time a waiver request is made and documentation required to be submitted at the time of the waiver request.

56-55-107. For the purposes of reviewing or amending the program establishing the process for making pharmaceuticals more available and affordable to the citizens of Tennessee, the state may continue to enter into multistate discussions and agreements. For purposes of participating in these discussions, the state shall be represented by members of the council created in section 56-55-108 of this chapter.

56-55-108.

(a) There is hereby created the Tennessee pharmaceutical cost management council which consists of the commissioner of finance and administration or his or her designee, the director of the state insurance committee or his or her designee, the commissioner of health or his or her designee, the commissioner of human services or his or her designee, the executive director of the workers' compensation division of the department of labor and workforce development or his or her designee, the director of the commission on aging and disability or his or her designee and five (5) members from the public who shall be appointed by the governor. One public member shall be a licensed pharmacist employed by a community retail pharmacy, one public member shall be a representative of a pharmaceutical manufacturer with substantial operations located in the state of Tennessee that has at least seven hundred fifty (750) employees, one public member shall be a primary care physician, one public member shall represent those who will receive benefit from the establishment of this program and one public member shall have experience in the financing, development or management of a health

insurance company which provides pharmaceutical coverage. Each public member shall serve for a term of four (4) years. Of the public members of the council first appointed, one shall be appointed for a term ending June 30, 2007, and two (2) each for terms of three (3) and four (4) years. Each public member shall serve until his or her successor is appointed and has qualified. A member of the council may be removed by the governor for cause.

(b) The commissioner of finance and administration shall serve as chairperson of the council, which shall meet at times and places specified by the chairperson or upon the request of two (2) members of the council.

(c) Council members shall not be compensated in their capacity as members but shall be reimbursed for reasonable expenses incurred in the performance of their duties.

(d) The council has the power and authority to:

(1) Contract for the purpose of implementing the cost containment provisions of this chapter;

(2) File suit;

(3) Execute, as permitted by applicable federal law, prescription drug purchasing agreements with:

(A) All departments, agencies, authorities, institutions, programs, any agencies or programs of the federal government, quasi-public corporations and political subdivisions of this state, including, but not limited to, the children's health insurance program, the department of correction, the department of children’s services, state colleges and universities, public hospitals, state or local institutions, such as nursing homes, veterans' homes, the division of vocational rehabilitation, county health departments, state programs, including, but not limited to,

programs established in sections 56-55-104 and 56-55-105 of this chapter, and the bureau of medical services; provided, that any contract or agreement executed with or on behalf of the bureau of TennCare shall contain all necessary provisions to comply with the provisions of Title XIX of the Social Security Act, 42 U. S. C. §1396 et seq., dealing with pharmacy services offered to recipients under the medical assistance plan of Tennessee or applicable waivers;

(B) Governments of other states and jurisdictions and their individual departments, agencies, authorities, institutions, programs, quasi-public corporations and political subdivisions; and

(C) Regional or multi-state purchasing alliances or consortia, formed for the purpose of pooling the combined purchasing power of the individual members in order to increase bargaining power; and

(4) Consider strategies by which Tennessee may manage the increasing costs of prescription drugs and increase access to prescription drugs for all of the state's citizens, including the authority to:

(A) Explore the enactment of fair prescription drug pricing policies;

(B) Explore discount prices or rebate programs for seniors and persons without prescription drug coverage;

(C) Explore programs offered by pharmaceutical manufacturers that provide prescription drugs for free or at reduced prices;

(D) Explore requirements and criteria, including the level of detail, for prescription drug manufacturers to disclose to the council expenditures for advertising, marketing and promotion, based on aggregate national data;

(E) Explore the establishment of counter-detailing programs aimed at educating health care practitioners authorized to prescribe prescription drugs about the relative costs and benefits of various prescription drugs, with an emphasis on generic substitution for brand name drugs when available and appropriate; prescribing older, less costly drugs instead of newer, more expensive drugs, when appropriate; and prescribing lower dosages of prescription drugs, when available and appropriate;

(F) Explore disease state management programs aimed at enhancing the effectiveness of treating certain diseases identified as prevalent among this state's population with prescription drugs;

(G) Explore prescription drug purchasing agreements with large private sector purchasers of prescription drugs and including those private entities in pharmacy benefit management contracts; provided, that no private entity may be compelled to participate in a purchasing agreement;

(H) Explore the feasibility of using or referencing the federal supply schedule or referencing the price, as adjusted for currency valuations, set by the Canada patented medicine prices review board ("PMPRB"), or any other appropriate referenced price to establish prescription drug pricing for brand name drugs in the state; and to review and determine the dispensing fees for pharmacies in such as established in section 56-55-106 of this chapter;

(I) Explore, if possible, joint negotiations for drug purchasing and a shared prescription drug pricing schedule and shared preferred drug list

for use by the public employees insurance committee, the medical assistance program, other state payors and private insurers;

(J) Explore coordination between the medical assistance program, the public employees insurance agency and, to the extent possible, in-state hospitals and private insurers toward the development of a uniform preferred prescription drug list which is clinically appropriate and which leverages retail prices;

(K) Explore policies which promote the use of generic drugs, where appropriate;

(L) Explore a policy that precludes a drug manufacturer from reducing the amounts of drug rebates or otherwise penalize an insurer, health plan or other entity which pays for prescription drugs based upon the fact that the entity uses step therapy or other clinical programs before a drug is covered or otherwise authorized for payment;

(M) Explore arrangements with entities in the private sector, including self-funded benefit plans and nonprofit corporations, toward combined purchasing of health care services, health care management services, pharmacy benefits management services or pharmaceutical products on the condition that no private entity be compelled to participate in the prescription drug purchasing pool; and

(N) Explore other strategies, as permitted under state and federal law, aimed at managing escalating prescription drug prices and increasing affordable access to prescription drugs for all Tennessee citizens;

(5) Contract with appropriate legal, actuarial and other service providers required to accomplish any function within the powers of the council;

(6) Develop other strategies, as permitted under state and federal law, aimed at managing escalating prescription drug prices and increasing affordable access to prescription drugs for all Tennessee citizens;

(7) Explore the licensing and regulation of pharmaceutical detailers, including the requirement of continuing professional education, the imposition of fees for licensing and continuing education, the establishment of a special revenue account for deposit of the fees and the imposition of penalties for noncompliance with licensing and continuing education requirements, and rules to establish procedures to implement the provisions of the subdivision;

(8) The council shall report to the house and senate standing committees on finance ways and means on or before September 1, 2005, and report on or before December 31, 2005, and annually thereafter to the general assembly, and shall provide recommendations to the general assembly on needed legislative action and other functions established by this chapter or requested by the house and senate standing committees on finance ways and means; and

(9) The council shall, upon the passage of this article, immediately commence to study the fiscal impact to this state of the federal "Medicare Prescription Drug Improvement and Modernization Act of 2003" and shall report to the house and senate standing committees on finance ways and means on or before October 15, 2005, as to the findings of the council.

(10) The council shall develop an evaluation methodology to certify and audit savings in the discount savings program by determining the impact on

growth and profit of the pharmaceutical manufacturers to ensure that prices have not been inflated to offset the discount card value.

(11) The council shall evaluate the clearinghouse established by this chapter and the discount card program established by this chapter to report to the house and senate standing committees on finance ways and means, the senate general welfare, health and human resources committee, and the house health and human resources committee, their findings and recommendations for further action by the general assembly.

(12) The council shall further:

(A) Determine that the implementation of the programs under this chapter will not jeopardize, reduce or penalize the benefits of veterans or other recipients of FSS drug prices, considering their respective co-pay structures, and the pricing mechanisms of their respective programs;

(B) Commence negotiations to obtain independent agreements or multi-state agreements with as many as ten (10) states to use or reference a pricing schedule as set forth in section 56-55-106 of this chapter; and

(C) Determine the ability to establish a savings of forty-two percent (42%) of the retail cost to be reported to house and senate standing committees on finance ways and means, the senate general welfare, health and human resources committee, and the house health and human resources committee.

56-55-109. The council created in section 56-55-108 of this chapter and the director of the public employees insurance committee are authorized to investigate the feasibility of purchasing prescription drugs from sources in Canada, which may include

the feasibility of the state or an instrumentality thereof serving as a wholesale distributor of prescription drugs in the state.

(a) Upon a determination by the council or the director of the state insurance committee that the same is feasible and in the best interests of the citizens of the state, the council or the director is authorized to pursue waivers from the federal government, including, but not limited to, from the United States food and drug administration, as necessary for the state to accomplish prescription drug purchasing from sources in Canada provided, however, if a waiver is not granted, the council is authorized to take necessary legal action.

(b) Upon a favorable finding by the appropriate federal agencies or courts, notwithstanding any provision of this code to the contrary, the council or the director of the state insurance committee may establish and implement a methodology to provide wholesale drugs to licensed pharmacies located within Tennessee, provided however, prior to the implementation, the general assembly must adopt a joint resolution authorizing such action.

56-55-110. Notwithstanding any provision of this code to the contrary, nothing contained in this chapter shall be construed to limit the powers and authority granted to the director of the state insurance committee pursuant to title 8, chapter 27. Notwithstanding any provision of this code to the contrary, the director is authorized to execute prescription drug purchasing agreements without further enactment of the general assembly.

56-55-111. Nothing contained in this chapter shall be construed to limit the ability of the various state agencies to enter into contracts or arrangements or to otherwise manage their pharmacy programs until such time as the programs created or authorized pursuant to this chapter are implemented.

56-55-112.

(a) Advertising costs for prescription drugs, based on aggregate national data, must be reported to the state council by all manufacturers and labelers of prescription drugs dispensed in this state that employ, direct or utilize marketing representatives. The reporting shall assist this state in its role as a purchaser of prescription drugs and an administrator of prescription drug programs, enabling this state to determine the scope of prescription drug advertising costs and their effect on the cost, utilization and delivery of health care services and furthering the role of this state as guardian of the public interest.

(b) The council shall establish, by rule, the reporting requirements of information by labelers and manufacturers which shall include all national aggregate expenses associated with advertising and direct promotion of prescription drugs through radio, television, magazines, newspapers, direct mail and telephone communications as they pertain to residents of this state.

(c) The following shall be exempt from disclosure requirements:

(1) All free samples of prescription drugs intended to be distributed to patients;

(2) All payments of reasonable compensation and reimbursement of expenses in connection with a bona fide clinical trial. As used in this subdivision, "clinical trial" means an approved clinical trial conducted in connection with a research study designed to answer specific questions about vaccines, new therapies or new ways of using known treatments; or

(3) All scholarship or other support for medical students, residents and fellows to attend significant educational, scientific or policy-making conferences

of national, regional or specialty medical or other professional associations if the recipient of the scholarship or other support is selected by the association.

(d) The council is further authorized to establish time lines, and the documentation, form and manner of reporting required as the council determines necessary to effectuate the purposes of this chapter. The council shall report to the senate and house finance, ways and means committees, in an aggregate form, the information provided in the required reporting.

(e) Notwithstanding any provision of law to the contrary, information submitted to the council pursuant to this section is confidential and is not a public record and is not available for release pursuant to title 10, chapter 7. Data compiled in aggregate form by the council for the purposes of reporting required by this section is a public record as defined in the Tennessee freedom of information act, as long as it does not reveal trade information that is protected by state or federal law.

56-55-113. For the purpose of implementing this chapter, the state, represented by the council, shall have authority to negotiate pharmaceutical prices to be paid by program participants. These negotiated prices shall be available to all programs.

56-55-114. The council may promulgate emergency rules pursuant to the provisions of section 4-5-208 to implement any section of this chapter. The council is authorized to promulgate rules and regulations to implement the provisions of this chapter in accordance with Tennessee Code Annotated, title 4, chapter 5.

56-55-115. The council shall continue to exist, pursuant to the provisions of this chapter, until July 1, 2008, unless sooner terminated, continued or reestablished.

56-55-116. Savings identified by all program participants shall be quantified and certified to the council and included in the annual report of the council to the general assembly provided for in section 56-55-108 of this chapter. Savings, or any part thereof,

created by the implementation of this program may, in the sole discretion of the general assembly, be directed towards the maintenance of existing state health programs and the expansion of insurance programs for the uninsured and underinsured.

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.